

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF PENNSYLVANIA

3 -----X
4 NATIONAL HEALTHCARE SERVICES, : CIVIL ACTION
5 INC., :
6 Plaintiff, : NO. 02-CV-3600
7 : (MM)
8 VS. :
9 :
10 PENN TREATY AMERICAN :
11 CORPORATION, et al., :
12 Defendants. :
13 -----X

14 Videotaped deposition of
15 MICHAEL J. CALLAHAN, held at the law
16 offices of BALLARD, SPAHR, ANDREWS &
17 INGERSOLL, LLP, 1735 Market Street, 51st
18 Floor, Philadelphia, Pennsylvania 19103,
19 on Wednesday, October 15, 2003, beginning
20 at 9:09 a.m., before Debra J. Weaver, a
21 Federally Approved Registered
22 Professional Reporter, Certified Realtime
23 Reporter and Certified Shorthand Reporter
24 of NJ (No. XI 01614) and Delaware (No.
138-RPR, Expiration 1/13/05).

Job No: 153616



COPY

1 Q. And the subject is, as I
2 read before, AllRisk fulfillment
3 communications problems, causes and
4 solutions; is that right?

5 A. Is that what the subject is?

6 Q. Well, the top line of the
7 e-mail.

8 A. Oh, yes, ma'am.

9 Q. Okay. And at or about this
10 time, October 2000, what was your
11 understanding of AllRisk's fulfillment
12 communication problems?

13 A. I don't recall what my
14 understanding was at that time.

15 Q. Okay. Do you recall reading
16 this e-mail?

17 A. Not really, no.

18 Q. Is it your custom and
19 practice to read e-mails that you get?

20 A. Yes, ma'am.

21 Q. So do you have any reason to
22 doubt that you read this e-mail at or
23 about the date that you received it?

24 A. I don't have any reason to

1 doubt that I read it, no.

2 Q. Do you have any
3 understanding as to why you were a cc on
4 this e-mail?

5 A. Yes,. Web Barth was
6 attempting to get me into the
7 Copperfields loop of what was going on.

8 Q. What do you mean by "into
9 the Copperfields loop of what was going
10 on"?

11 A. What was going on with the
12 AllRisk program. And by that time I had
13 agreed to give Web some money for an
14 interest in Copperfields, and he started
15 putting me in the information loop so I
16 could, you know, see what's going on with
17 the company.

18 Q. And AllRisk was also the
19 business of National Healthcare, wasn't
20 it?

21 MR. RIVERA-SOTO: Objection
22 to the form.

23 MS. SPECTOR: You can
24 answer.

1 break.

2 MS. SPECTOR: Okay.

3 THE VIDEOGRAPHER: Stand by.

4 The time is 3:57 p.m. Off the
5 record.

6 (Off the record.)

7 THE VIDEOGRAPHER: The time
8 is 4:00 p.m. We are back on the
9 record.

10 BY MR. RIVERA-SOTO:

11 Q. Mr. Callahan, are you now or
12 have you ever been an officer of National
13 Healthcare Services?

14 A. No.

15 Q. Are you now or have you ever
16 been a director of National Healthcare
17 Services?

18 A. No.

19 Q. Are you now or have you ever
20 been in management charge of National
21 Healthcare Services?

22 MS. SPECTOR: Objection.

23 THE WITNESS: No.

24 BY MR. RIVERA-SOTO:

1 Q. Have you at any time
2 communicated to anyone at Penn Treaty
3 that you are either an officer, director
4 or in management charge of National
5 Healthcare Services?

6 MS. SPECTOR: Objection.

7 THE WITNESS: No.

8 BY MR. RIVERA-SOTO:

9 Q. Has anyone at Penn Treaty
10 ever asked you if you are an officer,
11 director or in management charge of
12 National Healthcare Services?

13 A. No.

14 Q. To your knowledge, has Penn
15 Treaty ever asked anybody whether you
16 were an officer, director or in
17 management charge of National Healthcare
18 Services?

19 MS. SPECTOR: Objection.

20 THE WITNESS: Not to my
21 knowledge, no.

22 BY MR. RIVERA-SOTO:

23 Q. To your knowledge, did you
24 ever represent to anybody -- not to your